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NATIONAL MATERIALS CORRIDOR PARTNERSHIP ACT OF 2000

MARCH 9, 2000.—Ordered to be printed

Mr. MURKOWSKI, from the Committee on Energy and Natural
Resources, submitted the following

REPORT

[To accompany S. 397]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 397) to authorize the Secretary of Energy to establish a multiagency program in support of the Materials Corridor Partnership Initiative to promote energy efficient, environmentally sound economic development along the border of Mexico through the research, development, and use of new materials technology, having considered the same, reports favorably thereon with an amendment and an amendment to the title and recommends that the bill, as amended, do pass.

The amendments are as follows:

1. Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Materials Corridor and US-Mexico Border Technology Partnership Act of 2000”.

SEC. 2. FINDINGS.

Congress finds that—

(1) the 2000 mile long United States-Mexico border region, extending 100 kilometers north and south of the international boundary has undergone rapid economic growth that has provided economic opportunity to millions of people;

(2) the border region’s rapid economic growth has unfortunately created serious problems including pollution, hazardous wastes, and the inefficient use of resources that threaten people’s health and the prospects for long-term economic growth in the region;

(3) there are a significant number of major institutions in the border States of both countries currently conducting research, development and testing activities in technologies that might help alleviate these problems;

(4)(A) these new technologies may provide major opportunities for significantly—

- (i) minimizing industrial wastes and pollution that may pose a threat to public health;
- (ii) reducing emissions of atmospheric pollutants;
- (iii) using recycled natural resources as primary materials for industrial production; and
- (iv) improving energy efficiency; and

(B) such advances will directly benefit both sides of the United States-Mexico border by encouraging energy efficient, environmentally sound economic development that improves the health and protects the natural resources of the border region;

(5) in August 1998, the binational United States-Mexico Border Region Hazardous Wastes Forum, organized by the Department of Energy's Carlsbad Area Office, resulted in a consensus of experts from the United States and Mexico that the Department of Energy's science and technology could be leveraged to address key environmental issues in the border region while fostering further economic development of the border region;

(6) the Carlsbad Area Office, which manages the Waste Isolation Pilot Plant in Carlsbad, New Mexico, is well suited to lead a multiagency program focused on the problems of the border region given its significant expertise in hazardous materials and locations near the border;

(7)(A) promoting clean materials industries in the border region that are energy efficient has been identified as a high priority issue by the United States-Mexico Foundation for Science Cooperation; and

(B) at the 1998 discussions of the United States-Mexico Binational Commission, Mexico formally proposed joint funding of a "Materials Corridor Partnership Initiative", proposing \$1,000,000 to implement the Initiative if matched by the United States;

(8) recognizing the importance of materials processing, research institutions in the border States of both the United States and Mexico, in conjunction with private sector partners of both nations, and with strong endorsement from the Government of Mexico, in 1998 organized the Materials Corridor Council to implement a cooperative program of materials research and development, education and training, and sustainable industrial development as part of the Materials Corridor Partnership Initiative; and

(9) successful implementation of this Act would advance important United States energy, environmental, and economic goals not only in the United States-Mexico border region but also serve as a model for similar collaborative, transnational initiatives in other regions of the world.

SEC. 3. PURPOSE.

The purpose of this Act is to establish a multiagency program to—

- (1) alleviate the problems caused by rapid economic development along the United States-Mexico border;
- (2) support the Materials Corridor Partnership Initiative referred to in section 2(7); and,
- (3) promote energy efficient, environmentally sound economic development along that border

through the development and use of new technologies, particularly hazardous waste and materials technologies.

SEC. 4. DEFINITIONS.

In this Act:

- (1) PROGRAM.—The term "program" means the program established under section 5(a).
- (2) SECRETARY.—The term "Secretary" means the Secretary of Energy.

SEC. 5. ESTABLISHMENT AND IMPLEMENTATION OF THE PROGRAM.

(a) ESTABLISHMENT.—

- (1) IN GENERAL.—The Secretary shall establish a multiagency program to—

(A) alleviate the problems caused by rapid economic development along the United States-Mexico border, particularly those associated with public health and environmental security;

(B) support the Materials Corridor Partnership Initiative; and,

(C) promote energy efficient, environmentally sound economic development along that border

through the development and use of new technologies, particularly hazardous waste and materials technologies.

(2) **CONSIDERATIONS.**—In developing the program, the Secretary shall give due consideration to the proposal made to the United States-Mexico Binational Commission for the Materials Corridor Partnership Initiative.

(3) **PROGRAM MANAGEMENT.**—This program shall be managed for the Secretary by the Department's Carlsbad Area Office, with support, as necessary, from the Albuquerque Operations Office.

(b) **PARTICIPATION OF OTHER FEDERAL AGENCIES AND COMMISSIONS.**—The Secretary shall organize and conduct the program jointly with—

- (1) the Department of State;
- (2) the Environmental Protection Agency;
- (3) the National Science Foundation;
- (4) the National Institute of Standards and Technology;
- (5) the United States-Mexico Border Health Commission; and
- (6) any other departments, agencies, or commissions the participation of which the Secretary considers appropriate.

(c) **PARTICIPATION OF THE PRIVATE SECTOR.**—When appropriate, funds made available under this Act shall be made available for technology deployment, research, and training activities that are conducted with the participation and support of private sector organizations located in the United States and, subject to section 7(c)(2), Mexico, to promote and accelerate in the United States-Mexico border region the use of energy efficient, environmentally sound technologies and other advances resulting from the program.

(d) **MEXICAN RESOURCE CONTRIBUTIONS.**—The Secretary shall—

(1) encourage public, private, nonprofit, and academic organizations located in Mexico to contribute significant financial and other resources to the program; and

(2) take any such contributions into account in conducting the program.

(e) **TRANSFER OF TECHNOLOGY FROM NATIONAL LABORATORIES.**—In conducting the program, the Secretary shall emphasize the transfer and use of technology developed by the national laboratories of the Department of Energy.

SEC. 6. ACTIVITIES AND MAJOR PROGRAM ELEMENTS.

(a) **ACTIVITIES.**—Funds made available under this Act shall be made available for technology deployment, research, and training activities, particularly related to hazardous waste and materials technologies, that will alleviate the problems caused by rapid economic development along the United States-Mexico border, that focus on issues related to the protection of public health and environmental security, and that promote—

- (1) minimization of industrial wastes and pollutants;
- (2) reducing emissions of atmospheric pollutants;
- (3) use of recycled resources as primary materials for industrial production; and
- (4) improvement of energy efficiency.

(b) **MAJOR PROGRAM ELEMENTS.**—

(1) **IN GENERAL.**—The program shall have the following major elements, all of which shall emphasize hazardous waste and materials technologies:

(A) Technology Deployment, focused on the clear, operational demonstration of the utility of well developed technologies in new organizations or settings.

(B) Research, focused on developing, maturing, and refining technologies to investigate or improve the feasibility or utility of the technologies.

(C) Training, focused on training businesses, industries, and their workers in the border region in energy efficient, environmentally sound technologies that minimize waste, decrease public health risks, increase recycling, and improve environmental security.

(2) **TECHNOLOGY DEPLOYMENT AND RESEARCH.**—Projects under paragraph

(1)(A) and (1)(B) should typically involve significant participation from private sector organizations that would use or sell such a technology.

SEC. 7. PARTICIPATION OF DEPARTMENTS, AGENCIES, AND COMMISSIONS OTHER THAN THE DEPARTMENT OF ENERGY.

(a) **AGREEMENT.**—Not later than 120 days after the date of enactment of this Act, the Secretary shall enter into an agreement with the departments, agencies, and commissions referred to in section 5(b) on the coordination and implementation of the program.

(b) **ACTIONS OF DEPARTMENTS, AGENCIES, AND COMMISSIONS.**—Any action of a department, agency, or commission under an agreement under subsection (a) shall be the responsibility of that department, agency, or commission and shall not be subject to approval by the Secretary.

(c) USE OF FUNDS.—

(1) IN GENERAL.—The Secretary and the departments, agencies, and commissions referred to in section 5(b) may use funds made available for the program for technology deployment, research, or training activities carried out by—

(A) State and local governments and academic, nonprofit, and private organizations located in the United States; and

(B) State and local governments and academic, nonprofit, and private organizations located in Mexico.

(2) CONDITION.—Funds may be made available to a State or local government or organization located in Mexico only if a government or organization located in Mexico (which need not be the recipient of the funds) contributes a significant amount of financial or other resources to the project to be funded.

(d) TRANSFER OF FUNDS.—The Secretary may transfer funds to the departments, agencies, and commissions referred to in section 5(b) to carry out the responsibilities of the departments, agencies, and commissions under this Act.

SEC. 8. PROGRAM ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish an advisory committee consisting of representatives of the private, academic, and public sectors.

(2) CONSIDERATIONS.—In establishing the advisory committee, the Secretary shall take into consideration organizations in existence on the date of enactment of this Act, such as the Materials Corridor Council and the Business Council for Sustainable Development—Gulf Mexico.

(b) CONSULTATION AND COORDINATION.—Departments, agencies, and commissions of the United States to which funds are made available under this Act shall consult and coordinate with the advisory committee in identifying and implementing the appropriate types of projects to be funded under this Act.

SEC. 9. FINANCIAL AND TECHNICAL ASSISTANCE.

(a) IN GENERAL.—Federal departments, agencies, and commissions participating in the program may provide financial and technical assistance to other organizations to achieve the purpose of the program.

(b) TECHNOLOGY DEPLOYMENT AND RESEARCH.—

(1) USE OF COOPERATIVE AGREEMENTS.—

(A) IN GENERAL.—Federal departments, agencies, and commissions shall, to the extent practicable, use cooperative agreements to fund technology deployment and research activities by organizations outside the Federal Government.

(B) NATIONAL LABORATORIES.—In the case of a technology deployment or research activity conducted by a national laboratory, a funding method other than a cooperative agreement may be used if such a funding method would be more administratively convenient.

(2) FEDERAL SHARE.—

(A) IN GENERAL.—The Federal Government shall pay not more than 50 percent of the cost of technology deployment or research activities under the program.

(B) QUALIFIED FUNDING AND RESOURCES.—No funds or other resources expended either before the start of a project under the program or outside the scope of work covered by the funding method determined under paragraph (1) shall be credited toward the non-Federal share of the cost of the project.

(c) TRAINING.—

(1) IN GENERAL.—Federal departments, agencies, and commissions shall, to the extent practicable, use grants to fund training activities by organizations outside the Federal Government.

(2) NATIONAL LABORATORIES.—In the case of a training activity conducted by a national laboratory, a funding method other than a grant may be used if such a funding method would be more administratively convenient.

(3) FEDERAL SHARE.—The Federal Government may fund 100 percent of the cost of the training activities of the program.

(d) SELECTION.—All projects funded under contracts, grants, or cooperative agreements established under this program shall, to the maximum extent practicable, be selected in an open, competitive process using such selection criteria as the Secretary, through his program management, and in consultation with the departments, agencies, and commissions referred to in section 5(b), determines to be appropriate. Any such selection process shall weigh the benefits to the border region.

(e) ACCOUNTING STANDARDS.—

(1) **WAIVER.**—To facilitate participation in the program, Federal departments, agencies, and commissions may waive any requirements for Government accounting standards by organizations that have not established such standards.

(2) **GAAP.**—Generally accepted accounting principles shall be sufficient for projects under the program.

(f) **NO CONSTRUCTION.**—No program funds may be used for construction.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act \$10,000,000 for each of fiscal years 2000 through 2004.

2. Amend the title so as to read: “To authorize the Secretary of Energy to establish a multiagency program to alleviate the problems caused by rapid economic development along the United States-Mexico border, particularly those associated with public health and environmental security, to support the Materials Corridor Partnership Initiative, and to promote energy efficient, environmentally sound economic development along that border through the development and use of new technology, particularly hazardous waste and materials technology.”.

PURPOSE OF THE MEASURE

The purpose of S. 397, as ordered reported, is to establish a binational, multi-agency program, led by the Department of Energy, to promote environmentally sound economic development along the U.S.-Mexican border that minimizes negative impacts on public health and improves energy efficiency through application of improved technologies, with emphasis on research, development and use of materials and hazardous waste technology.

BACKGROUND AND NEED

The North American Free Trade Agreement and the globalization of our economy have created a surge of economic growth along the 2000 mile U.S.-Mexican border. Over the last 15 years, the population in the 200km wide region straddling the border has roughly doubled and industrial output has grown more than 150 percent. The border region has become a major center for manufacturing in many industries, such as microelectronics and auto parts, as well as a center for many materials industries, such as metals and plastics. However, with this economic growth have come serious problems. Pollution, hazardous wastes, and the inefficient use of resources threaten people’s health and the prospects for long-term economic growth. Disease rates for selected illnesses are significantly elevated near the border. There are numerous “nonattainment” regions for carbon monoxide and ozone along the border. Border industries produce a large variety of worrisome effluents that enter the air, water, and soil. Pollution needs no passport, of course, so problems on one side of the border impact the other.

Many technologies, developed in both countries, could be applied to mitigate and address these border issues. Given the crucial role materials processing plays in border manufacturing, better materials technologies may offer one of the more powerful ways to alleviate these problems by improving energy efficiency and reducing pollutants. Hence, the basic idea behind S. 397 is to leverage environmental research within the Department of Energy and materials research in the border states in a binational program to promote clean, sustainable economic development. These ideas have

progressed since 1993. Mexico's economic crisis of the early 90's introduced delays, but in 1998 the Mexican government revived the idea, proposing a "Materials Corridor Partnership Initiative" to the U.S.-Mexican Binational Commission. Mexico offered \$1 million of funding if the U.S. would do the same. While an informal group of research organizations, the "Materials Corridor Council," organized itself in response, the U.S. Government has yet to pick up on the Mexican offer. Most recently, an international conference organized by the Carlsbad Office of the Department of Energy focused attention on public health issues in the border region and the need for action. S. 397 is aimed at responding to these challenges, while also encouraging evaluation of technologies developed by the Department of Energy for their own cleanup missions in addressing border issues.

LEGISLATIVE HISTORY

S. 397 was introduced by Senator Bingaman on February 10, 1999. The Subcommittee on Energy Research, Development, Production and Regulation held a hearing on October 7, 1999. At its business meeting on February 10, 2000, the Committee on Energy and Natural Resources ordered S. 397, as amended, reported favorably.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on February 10, 2000, by a voice vote with a quorum present, recommends that the Senate pass S. 397 with an amendment and an amendment to the title.

SECTION-BY-SECTION ANALYSIS

Section 1 designates the title of the Act as the "National Materials Corridor and US-Mexico Border Technology Partnership Act of 2000."

Section 2 sets forth findings.

Section 3 states the purpose of the Act.

Section 4 defines terms used in the Act.

Section 5(a) directs the Secretary of Energy to establish a multi-agency program and to manage it through the Department's Carlsbad Area Office.

Subsection (b) directs the Secretary to organize and conduct the program jointly with the Department of State, the Environmental Protection Agency, the National Science Foundation, the National Institute of Standards and Technology, the United States-Mexico Border Health Commission, and other appropriate agencies.

Subsection (c) provides for private sector participation in the program.

Subsection (d) directs the Secretary to encourage financial contributions from public and private organizations in Mexico.

Subsection (e) directs the Secretary to emphasize the transfer and use of technology developed by the national laboratories.

Section 6 identifies three major program elements emphasizing hazardous waste and materials technology: (1) technology deployment to demonstrate the utility of well developed technologies in

new organizations; (2) research to refine new technologies; and (3) training in technologies that minimize waste, decrease public health risks, increase recycling, and improve environment security.

Section 7 provides for the participation of departments, agencies, and commissions, other than the Department of Energy, in the program. It allows program funds to be made available to a State or local government or organization located in Mexico only if a government or organization located in Mexico contributes a significant amount of financial or other resources to the project.

Section 8 directs the Secretary of Energy to establish an advisory committee consisting of representatives of the private, academic, and public sectors.

Section 9(a) authorizes Federal participants to provide financial and technical assistance to other organizations to achieve the purpose of the program.

Subsection (b)(1) directs the Federal Government, to the extent practicable, to use cooperative agreements to fund technology deployment and research activities by organizations outside the Federal Government.

Subsection (b)(2) prohibits Federal participants from paying more than 50 percent of the cost of technology deployment or research activities under the program.

Subsection (c) directs Federal participants, to the extent practicable, to use grants to fund training activities by non-Federal organizations.

Subsection (d) requires projects to be selected in an open, competitive process.

Subsection (e) provides for the use of generally accepted accounting principles and allows Federal participants to waive the use of Government accounting standards by organizations that have not established such standards.

Subsection (f) prohibits the use of program funds for construction.

Section 10 authorizes the appropriation of \$10,000,000 annually for fiscal year 2000 through 2004.

COST AND BUDGETARY CONSIDERATIONS

The Congressional Budget Office estimate of the costs of this measure has been requested but was not received at the time the report was filed. When the report is available, the Chairman will request it to be printed in the CONGRESSIONAL RECORD for the advice of the Senate.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out this measure.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the provisions of the bill. Therefore, there would be no impact on personal privacy.

Little, if any additional paperwork would result from the enactment of this measure.

EXECUTIVE COMMUNICATIONS

The pertinent communications received by the Committee from the Department of Energy follow:

STATEMENT OF DAVID L. GOLDWYN, ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS, U.S. DEPARTMENT OF EN- ERGY

Good morning Mr. Chairman, Senator Bingaman and other members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the Department of Energy's views on S. 397, the National Materials Corridor Partnership Act.

This bill would establish a multi-agency program, led by the Department of Energy, to promote energy efficient, environmentally sound economic development along the U.S.-Mexican border through the research, development, and use of new materials technology. The Administration agrees with the goals of the bill that this country, in cooperation with Mexico, needs to do more to address the economic, infrastructure, and environmental issues of the Southwest Border region.

According to the General Accounting Office's July 1999 report titled, U.S.-Mexico Border: Issues and Challenges Confronting the United States and Mexico, the U.S. border region has high unemployment and poverty levels and faces a number of infrastructure, health, environmental, immigration, and economic development challenges. These challenges are expected to be exacerbated by the rapid growth in the region's population—the population in border communities is growing twice as fast and is much younger than in the rest of the country.

The Administration cooperates with Mexico in a broad range of energy and science and technology activities. This cooperation is aimed at finding solutions to problems facing both countries, particularly in the areas of waste management and energy, and in providing a basis for continued and sustainable economic growth. In the U.S.-Mexico Binational Commission (BNC), the Department of Energy co-chairs the energy Working Group with Mexico's Secretariat of Energy. The Department also participates in the BNC's Science and Technology Committee.

Specifically along the Southwest Border, the Administration is working to provide a more rapid and integrated Federal response to challenges in the region. On May 25, 1999, the President signed an Executive Order establishing an interagency task force on the economic development of the Southwest Border. This Task Force, of which the Department is an active member, is examining existing Federal agency programs, policies, research, and analyses that relate to the Southwest Border; working to co-

ordinate the activities for the various Federal agencies; and developing short-term and long-term options for promoting sustainable economic development in the Region. These efforts will be conducted in concert with State, tribal, and local governments, community leaders, Members of Congress, the private sector, and other interested parties. The Task Force is expected to submit to the Vice President by November 15, 1999, an interim report on its activities. This Task Force is the appropriate vehicle to address the specific concerns raised by S. 397.

We believe additional statutory authority is not required to reach the goals promoted by S. 397; as with many other initiatives funding is often the limiting factor. The Department is undertaking a variety of domestic and international activities that serve to accomplish the goals of this legislation, which I will briefly highlight later in my remarks. At the same time, my office along with the Secretary's office is leading the Department's effort to support President Clinton's Executive Order. As called for by the Executive Order, the Department is currently conducting an analysis of existing programs and policies that relate to the Southwest Border. For example, projects that are being or can potentially be applied to the border region include:

We are pursuing materials research with potentially direct application to the border region. Through the Department's Office of Science, we are spending an excess of \$20 million annually on an extensive program of materials research at both Sandia and Los Alamos National laboratories and at universities and educational institutions in Arizona, California, New Mexico, and Texas. Our basis materials science research includes research on the physics and chemistry of ceramics, adhesion phenomena, thin films, polymer structures among other things. Additionally, through the Office of Energy Efficiency and Renewable Energy, our national laboratories are pursuing applied research in a number of areas that could have important uses in the border region. For example, we are funding research on energy efficient electrochemical reactors that can potentially save up to 50 percent of the electric energy used by the chemical industry. Our Los Alamos laboratory is partnering with private industry to develop new materials that will reduce energy consumption, improve quality and reduce cost of fiberglass and fiberglass product production.

In addition to DOE's work, the National Science Foundation is co-sponsoring a series of international workshops on materials research designed to stimulate collaboration among materials researchers and create networks linking the participating countries. One of the key goals of this collaboration is to develop a worldwide electronic net to enhance international materials research cooperation. The first leg of this system, the NAFTA NET, will be fully

operational in the near future. The U.S., Mexico, and Canada have been active participants in this effort.

We are working to promote scientific and information exchanges in the region by including Mexican scientists in our materials research program nationwide. In 1996, a workshop at Argonne National Laboratory to encourage such participation attracted about 70 scientists from Mexican institutions, including the Advanced Materials Research Center in Chihuahua. As a result, several Mexican scientists are now collaborating with scientists at DOE facilities. A follow-up workshop is planned for next year.

We are working to reduce the region's air pollution problems. The existing bilateral agreement on renewable energy and energy efficiency is promoting the use of clean, affordable energy along the border. In partnership with industry, the Department is working to develop new, advanced energy technologies that operate with higher efficiencies and performance characteristics, both for grid and remote area applications, that result in lower emissions with improved economics. We have worked on the critical issue of air pollution in Mexico City through partnerships between the Department, other U.S. Government agencies, and Mexican government organizations. We are looking at options for applying research that is being conducted in this area at the Pacific Northwest, Los Alamos, and Argonne National Laboratories that could be applied to address air pollution problems in the border region.

We are working to provide economically viable alternatives to current waste treatment and disposal methods used in northern Mexico. The Department has developed several groundwater remediation and waste disposal technologies that may be appropriate to transfer for application to these problems along the border. Groundwater remediation technologies being developed by the Uranium Mill Tailing Remedial Action Groundwater Projects are available for use to address border region needs. The Department is also exploring how its groundwater monitoring equipment could be used by border communities on a cost-recovery basis when not in use by DOE.

We are working with Mexico to promote the use of the cleanest and most efficient energy technologies and their use in the transportation, power generation, and end use sectors. We are cooperating under an active Agreement on Energy Cooperation in energy efficiency, renewable energy, and energy-related waste remediation, and we are currently negotiating additional areas of cooperation on clean energy. DOE and the Mexican Secretariat of Energy have established a High Level Working Group on Sustainable Energy to discuss the use of clean energy technologies to address environmental issues. Moreover, the Department, in cooperation with the U.S. Agency for International Development and the Mexican Government, is demonstrating the benefits of photovoltaic and wind technologies in rural environments in border states. In this effort, water pump-

ing systems for livestock are being installed on a pilot basis in several border states over the next two years.

We are trying to facilitate the integration of the Mexican and U.S. energy markets to the benefit of customers in both countries. We have formed a bilateral working group to discuss ways to promote cross border electricity trade.

We are working with other agencies and the Mexican government on research and education efforts. These efforts include such items as the joint DOE-National Science Foundation Pan American Advanced Studies Institutes short courses on topics at the forefront of research such as "Atom and Molecules in a New Light" Institute for which the University of New Mexico recently received a grant, and "Modern Trends in Heat Transfer" Institute which will partner a Mexican university with the University of Notre Dame. These Institutes often result in further collaborations on materials science, among other disciplines.

We recognize that the environmental, economic, and technological needs along the border are great. And are working to bring greater focus and leadership to the Department of Energy's multifaceted resources and programs in these areas. The President's Executive Order on the Economic Development of the Southwest Border provides an opportune vehicle to coordinate efforts, not only within agencies but between agencies. We look forward to working with our sister agencies to develop and recommend short-term and long-term options for promoting sustainable economic development in the region and to do our part to coordinate and collaborate on research and demonstration priorities that integrate Administration initiatives and programs, as called for by the Task Force.

We have already taken action to put in place a structure to help us achieve the goals promoted by S. 397 and the President's Executive Order.

First, the Secretary has made border issues a priority by assigning a Senior Policy Advisor to work with my office, the Office of International Affairs, to coordinate the Department's response to the goals and objectives of the President's Executive Order. My office is uniquely qualified to coordinate cross-cutting efforts that come to bear on all of the department's program offices in order to maintain a focused and integrated approach.

Second, in June, Secretary Richardson established a Department of Energy Working Group on Mexico led by the Office of International Affairs to coordinate DOE programs and initiatives involving Mexico and to ensure that U.S. interests and Department priorities are promoted in a strategic manner. This group will also include a Southwest Border Initiative subgroup to help implement the Department's responsibilities under the Executive Order and will focus specifically on activities relevant to the border region, including materials research and technology transfer.

Third, we plan to work with the local leadership, stakeholders, and the private sector in the border region to ob-

tain their input as we set our materials research and other research and development priorities. We plan to use upcoming conferences and other forums promoted by the Executive Order's Task force to dialogue as opportunities to exchange information with locally led efforts.

Fourth, we are working to address previous barriers to technology transfer. In response to a June 1999 internal study reviewing the Department's technology transfer policies and procedures, the Secretary has formed a senior level working group and designated one of his senior advisors to serve as the Department's focal point for addressing technology transfer issues and to strengthen technology partnerships. Over the next few months, the Department will be developing and updating its guidelines and procedures to better ensure consistency and uniformity across the complex; we will improve communication with the private sector to make partnership opportunities more accessible, easier to identify and quicker to initiate; and we will be establishing ombuds capabilities to assist industry in resolving any issues that may arise.

Fifth, we will continue our educational and collaborative efforts with Mexican and U.S. institutions both in the border region, and elsewhere, that are engaged in activities of concern to the region. In this regard, we have invited Mexican participation in this month's 11th Annual Technical Information Exchange workshop. The Department is proposing to include the Mexican government in on-going DOE research and development on subsurface contaminants and site characterization and in subsequent technology demonstrations.

Sixth, consistent with the provisions of S. 397, we are expanding our efforts with other Federal and international agencies on border issues. For example, DOE will be increasing its collaboration with the U.S. Environmental Protection Agency on energy issues in the U.S.-Mexico border region aimed at protecting and improving the environmental health while fostering sustainable development in the U.S.-Mexico border area.

In conclusion, the Department is committed to using its resources to the fullest to help solve cross-border problems and to continue to promote supportive activities in cooperation with Federal agencies, the private sector, and states on both sides of the border. We can, I think, accomplish the objectives we all seek by making better use of existing mechanisms. We will be happy to work closely with the Senator and the Committee on ways to improve our activities in the border region. I will be happy to answer your questions.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by S. 397, as ordered reported.

